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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA *ex rel.*
STEVEN R. PEIKIN, M.D., *et al.*,

Plaintiffs,

v.

SALIX PHARMACEUTICALS, INC.,

Defendant.

12 Civ. 3870 (DLC)

UNITED STATES OF AMERICA,

Plaintiff-Intervenor,

v.

SALIX PHARMACEUTICALS, INC.,

Defendant.

UNITED STATES' NOTICE OF ELECTION TO PARTIALLY INTERVENE

Pursuant to the False Claims Act, 31 U.S.C. §§ 3730(b)(2) and (4), the United States of America notifies the Court of its intention to partially intervene and proceed with this action against defendant Salix Pharmaceuticals, Inc. a/k/a Salix Pharmaceuticals, Ltd. ("Salix"), with

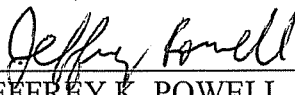
respect to allegations that (i) from January 2009 through December 2013 (“Covered Period”), Salix knowingly offered and paid remuneration, including honoraria payments and meals, to physicians and other health care professionals who spoke at or attended speaker programs to induce them to recommend, promote, and prescribe certain Salix drugs and medical devices — specifically, Xifaxan, Apriso, and Relistor (“Covered Products”) — in violation of the Federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7b; and (ii) as a result of the foregoing conduct, Salix knowingly submitted or caused to be submitted false claims for the Covered Products to, or caused purchases of the Covered Products by, Medicaid, Medicare, TRICARE, and the Department of Veteran Affairs, in violation of the False Claims Act, 31 U.S.C. §§ 3729 *et seq.*

The United States of America further notifies the Court of its decision not to intervene with respect to allegations that Salix engaged in off-label marketing of the Covered Products. A proposed order accompanies this notice.

Dated: New York, New York
June 2, 2016

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